

Date Mailed August 12, 2004
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BEFORE THE  
PUBLIC SERVICE COMMISSION OF WISCONSIN

Administration of the Universal Service Fund

05-GF-104

**SUPPLEMENTAL DECISION**

On December 9, 2003, the Commission issued a Final Decision in this docket, approving updated median household incomes by county for purposes of determining high rate assistance credits pursuant to Wis. Admin. Code § PSC 160.09, as well as a method for making future calculations. This decision provides updated calculations.

One of the programs in the Universal Service Fund (USF) rules in Wis. Admin. Code ch. PSC 160, is the high rate assistance credits program, which is designed to assure that residential rates for basic telecommunications service are affordable in all parts of the state. Under this program, described in Wis. Admin. Code § PSC 160.09, a threshold level of local rates is established for each county. If a local telephone company charges a price for its service higher than that threshold level, the company charges the customer only the threshold rate (plus a specified portion of the amount above the threshold) and recovers from the USF any additional amounts needed to pay for the service.

For the purpose of calculating high rate assistance credits, the threshold rate is tied to the median household income in a county. The price of service that is compared to the threshold rate level includes the basic monthly rate for service, the federal end user subscriber line charge, and usage charges based on the local calling area of an exchange. The usage charge calculations

include, for certain areas, specified usage for extended community calling and intrastate toll service.

However, county median household income data is only updated by the census every 10 years. In its December 9, 2003, Final Decision, the Commission approved a method to estimate county median household income in the intervening years between decennial censuses. In that Final Decision, pursuant to Wis. Admin. Code § PSC 160.01(2)(b), the Commission approved the adoption of requirements different than those contained in the current USF rule. The method approved by the Commission was to inflate county median household income from the 1990 census, by the average annual statewide growth rate in per capita personal income since that time. This method was chosen because up-to-date median household income information from the 2000 census was not yet available. The Commission also delegated to the Telecommunications Division Administrator, future determinations of county median household income using a method consistent with that Final Decision.

This Supplemental Decision continues the method approved in the Commission's previous Final Decision. A list of updated median household incomes by county is included in Appendix A. These updated median household incomes were calculated by inflating the county median household income from the 2000 census, by the average annual statewide growth rate in per capita personal income from 2000 to 2002. This is the latest data available for per capita personal income.

Each local exchange company (LEC) whose customers are eligible to receive such credits shall file tariffs implementing revised high rate assistance credits, using county median household incomes in Appendix A. In addition, each LEC whose customers currently receive

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credits, but will no longer receive credits as a result of this Supplemental Decision, shall file tariffs removing the credit. Such tariffs shall take effect no sooner than the mailing date of this Supplemental Decision, and no later than November 1, 2004. Each local exchange company shall also recalculate such credits each time basic local residential or other rates included in the credit calculation are changed.

LEC customers who will be impacted by the recalculation of credits caused by this updating of median household incomes shall be notified of the changes no later than with the first bill containing the modified rates.

Dated at Madison, Wisconsin, \_\_\_\_\_

By the Commission:

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Gary A. Evenson  
Administrator  
Telecommunications Division

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See attached Notice of Appeal Rights

Notice of Appeal Rights

Notice is hereby given that a person aggrieved by the foregoing decision has the right to file a petition for judicial review as provided in Wis. Stat. § 227.53. The petition must be filed within 30 days after the date of mailing of this decision. That date is shown on the first page. If there is no date on the first page, the date of mailing is shown immediately above the signature line. The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

Notice is further given that, if the foregoing decision is an order following a proceeding which is a contested case as defined in Wis. Stat. § 227.01(3), a person aggrieved by the order has the further right to file one petition for rehearing as provided in Wis. Stat. § 227.49. The petition must be filed within 20 days of the date of mailing of this decision.

If this decision is an order after rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not an option.

This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

Revised 9/28/98

### Median Household Income Inflated by Average Annual Growth Rate in Per Capita Personal Income from 2000 to 2002

County	Median Household Income	County	Median Household Income
Adams	35,135	Marathon	47,500
Ashland	33,263	Marinette	37,078
Barron	39,202	Marquette	37,594
Bayfield	35,116	Menominee	30,962
Brown	48,848	Milwaukee	40,069
Buffalo	39,123	Monroe	39,091
Burnett	35,987	Oconto	43,331
Calumet	55,286	Oneida	39,564
Chippewa	41,643	Outagamie	52,178
Clark	36,364	Ozaukee	65,988
Columbia	47,393	Pepin	39,553
Crawford	35,900	Pierce	52,112
Dane	51,767	Polk	43,312
Dodge	47,526	Portage	45,735
Door	40,818	Price	37,071
Douglas	37,047	Racine	50,543
Dunn	40,756	Richland	35,755
Eau Claire	41,246	Rock	47,870
Florence	36,546	Rusk	32,964
Fond du Lac	47,934	Sauk	44,109
Forest	33,678	Sawyer	33,956
Grant	38,143	Shawano	40,037
Green	45,463	Sheboygan	48,627
Green Lake	41,502	St. Croix	57,769
Iowa	44,716	Taylor	40,492
Iron	31,109	Trempealeau	39,848
Jackson	38,928	Vernon	34,893
Jefferson	49,325	Vilas	35,504
Juneau	37,162	Walworth	48,666
Kenosha	49,398	Washburn	35,459
Kewaunee	46,089	Washington	59,981
La Crosse	41,512	Waukesha	66,087
Lafayette	39,144	Waupaca	43,025
Langlade	34,883	Waushara	38,913
Lincoln	41,142	Winnebago	46,742
Manitowoc	45,524	Wood	43,745